

AMENDED IN ASSEMBLY APRIL 2, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 477**

**Introduced by Assembly Member Haynes**

February 14, 2003

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An act to amend Section ~~12804.9~~ 5060 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 477, as amended, Haynes. Vehicles: ~~driver's license~~ *special interest license plates*.

*Existing law authorizes an organization to apply to the Department of Motor Vehicles to establish a special interest license plate program and the department is required to authorize that participation if the issuance of those plates is required by statute and the organization is tax exempt, submits a financial plan describing the purpose for which certain revenues generated from the sale of the plates will be used, and submits an essential design of the proposed special interest license plate that, among other things, provides for the placement of the number and letter characters in a manner that allows for law enforcement to readily identify those characters.*

*This bill would instead require the Department of Motor Vehicles to authorize a special interest license plate program under those same conditions. The bill would allow a special interest license plate program established by a statute effective on or before January 1, 2004, to continue to operate.*

~~Under existing law, an applicant for a driver's license is required to submit to an examination appropriate to the type of motor vehicle or combination of vehicles the applicant desires to drive.~~

~~This bill would make technical, nonsubstantive changes to that provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. Section 12804.9 of the Vehicle Code, as~~

2 *SECTION 1. Section 5060 of the Vehicle Code is amended to*  
3 *read:*

4 5060. (a) An organization may apply to the department for  
5 participation in a special interest license plate program and the  
6 department shall issue special license plates for that program if the  
7 issuance of those plates is required by *the department, or this*  
8 *article on or before January 1, 2004*, the sponsoring organization  
9 complies with the requirements of this section, and the  
10 organization meets all of the following criteria:

11 (1) Qualifies for tax-exempt status under Section 501(c)(3) of  
12 the Internal Revenue Code and subdivision (d) of Section 23701  
13 of the Revenue and Taxation Code.

14 (2) Submits a financial plan describing the purposes for which  
15 the revenues described in paragraph (2) of subdivision (e) will be  
16 used.

17 (3) Submits a design of the organization's proposed special  
18 interest license plate that, among other things, provides for the  
19 placement of the number and letter characters in a manner that  
20 allows for law enforcement to readily identify those characters.

21 (b) Any person described in Section 5101 may apply for special  
22 interest license plates, in lieu of the regular license plates.

23 (c) The design criteria for a special interest license plate are as  
24 follows:

25 (1) The license plate for a passenger vehicle, commercial  
26 vehicle, or trailer shall provide a space not larger than two inches  
27 by three inches to the left of the numerical series and a space not  
28 larger than five-eighths of an inch in height below the numerical  
29 series for a distinctive design, decal, or descriptive message as  
30 authorized by this article. The plates shall be issued in sequential

1 numerical order or, pursuant to Section 5103, in a combination of  
2 numbers or letters.

3 (2) Special interest license plates authorized under this article  
4 may be issued for use on a motorcycle. That license plate shall  
5 contain a five digit configuration issued in sequential numerical  
6 order or, pursuant to Section 5103, in a combination of numbers  
7 or letters. There shall be a space to the left of the numerical series  
8 for a distinctive design or decal and the characters shall contrast  
9 sharply with the uniform background color. No motorcycle plate  
10 containing a full plate graphic design is authorized. Those  
11 particular special interest license plates that were issued prior to  
12 the discontinuation provided by this paragraph may continue to be  
13 used and attached to the vehicle for which they were issued and  
14 may be renewed, retained, or transferred pursuant to this code.

15 (d) (1) No organization may be included in the program until  
16 not less than 7,500 applications for the particular special interest  
17 license plates are received. Each organization shall collect and  
18 hold applications for the plates. Once the organization has received  
19 at least 7,500 applications, it shall submit the applications, along  
20 with the necessary fees, to the department. The department shall  
21 not issue any special interest license plate until an organization has  
22 received and submitted to the department not less than 7,500  
23 applications for that particular special interest license plate within  
24 the time period prescribed in this section. Advanced payment to  
25 the department by an organization representing the department's  
26 estimated or actual administrative costs associated with the  
27 issuance of a particular special interest license plate shall not  
28 constitute compliance with this requirement. The organization  
29 shall have 12 months, following *the authorization of the*  
30 *department or* the effective date of the enactment of the specific  
31 legislation enabling the organization to participate in this program,  
32 to receive the required number of applications. If, after that 12  
33 months, 7,500 applications have not been received, the  
34 organization shall immediately do either of the following:

35 (A) Refund to all applicants any fees or deposits that have been  
36 collected.

37 (B) Contact the department to indicate the organization's intent  
38 to undertake collection of additional applications and fees or  
39 deposits for an additional period, not to exceed 12 months, in order  
40 to obtain the minimum 7,500 applications. If an organization

1 elects to exercise the option under this paragraph, it shall contact  
2 each applicant who has submitted an application with the  
3 appropriate fees or deposits to determine if the applicant wishes a  
4 refund of fees or deposits or requests the continuance of the  
5 holding of the application and fees or deposits until that time that  
6 the organization has received 7,500 applications. The organization  
7 shall refund the fees or deposits to any applicant so requesting. In  
8 no event shall an organization collect and hold applications for a  
9 period exceeding 24 months following the date of authorization as  
10 described in paragraph ~~(2)~~ (1) of subdivision ~~(a)~~ (d).

11 (C) Sequential plate fees shall be paid for the original issuance,  
12 renewal, retention, replacement, or transfer of the special interest  
13 license plate as determined by the organization and authorized by  
14 department's regulations. Those plates containing a personalized  
15 message are subject to the fees required pursuant to Sections 5106  
16 and 5108 in addition to any fees required by the special interest  
17 license plate program.

18 (2) (A) If the number of currently outstanding and valid  
19 special interest license plates in any particular program provided  
20 for in this article is less than 7,500, the department shall notify the  
21 sponsoring organization of that fact and shall inform the  
22 organization that if that number is less than 7,500 one year from  
23 the date of that notification, the department will no longer issue or  
24 replace those special interest license plates.

25 (B) Those particular special interest license plates that were  
26 issued prior to the discontinuation provided by subparagraph (A)  
27 may continue to be used and attached to the vehicle for which they  
28 were issued and may be renewed, retained, or transferred pursuant  
29 to this code.

30 (e) (1) The department shall deduct its costs to develop and  
31 administer the special interest license plate program from the  
32 revenues collected for the plates.

33 (2) The department shall deposit the remaining revenues from  
34 the original issuance, renewal, retention, replacement, or transfer  
35 of the special interest license plate in a fund which shall be  
36 established by the Controller.

37 (f) When payment of renewal fees is not required as specified  
38 in Section 4000, or when a person determines to retain the special  
39 interest license plate upon a sale, trade, or other release of the  
40 vehicle upon which the plate has been displayed, the person shall

1 notify the department and the person may retain and use the plate  
2 as authorized by department regulations.

3 (g) An organization that is eligible to participate in a special  
4 interest license plate program pursuant to this article and receives  
5 funds from the additional fees collected from the sale of special  
6 license plates shall not expend annually more than 25 percent of  
7 those funds on administrative costs, marketing, or other  
8 promotional activities associated with encouraging application  
9 for, or renewal of, the special license plates.

10 (h) (1) Every organization authorized by the department, or  
11 under this article *on or before January 1, 2004*, to offer special  
12 interest license plates shall prepare and submit an annual  
13 accounting report to the department by June 30. The report shall  
14 include an accounting of all revenues and expenditures associated  
15 with the special interest license plate program.

16 (2) If an organization submits a report pursuant to paragraph  
17 (1) indicating that the organization violated the expenditure  
18 restriction set forth in subdivision (g), the department shall  
19 immediately cease depositing fees in the fund created by the  
20 Controller for that organization under paragraph (2) of subdivision  
21 (e) and, instead, shall deposit those fees that would have otherwise  
22 been deposited in that fund in a separate fund created by the  
23 Controller, which fund is subject to appropriation by the  
24 Legislature. The department shall immediately notify the  
25 organization of this course of action. The depositing of funds in the  
26 account established pursuant to this paragraph shall continue until  
27 the organization demonstrates to the satisfaction of the department  
28 that the organization is in compliance or will comply with the  
29 requirements of subdivision (g). If one year from the date that the  
30 organization receives the notice described in this paragraph, the  
31 organization is still unable to satisfactorily demonstrate to the  
32 department that it is in compliance or will comply with the  
33 requirements of subdivision (g), the department shall no longer  
34 issue or replace those special interest license plates associated with  
35 that organization. Those particular special interest license plates  
36 that were issued prior to the discontinuation provided by this  
37 paragraph may continue to be used and attached to the vehicle for  
38 which they were issued and may be renewed, retained, or  
39 transferred pursuant to this code.

1 (3) Upon receiving the reports required under paragraph (1),  
2 the department shall prepare and transmit an annual consolidated  
3 report to the Legislature containing the revenue and expenditure  
4 data.

5 (i) *Programs for the issuance of special interest license plates*  
6 *established by specific legislation under this article effective on or*  
7 *before January 1, 2004, shall continue to be valid.*

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10 **All matter omitted in this version of the**  
11 **bill appears in the bill as introduced in the**  
12 **Assembly, February 14, 2003 (JR 11)**  
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